

Audit compliance for Sustainability regulations

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Meet your speakers



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Agenda

- Overview
- Solution workflow
- Demo
- Q&A

Overview



Audit for ESG disclosures

- Region specific sustainability regulations (e.g. CSRD, NGER, BRSR) will require customers to get assurance on disclosures prior to report submission.
- Disclosure data can be in the form of quantitative value or qualitative response. Assurance review includes both quantitative and qualitative responses.

TYPES OF ASSURANCE

Limited assurance engagement

Conclusion usually provided in a negative form of expression by stating that no matter has been identified by the practitioner to conclude that the subject matter is materially misstated.

Requires auditors to perform fewer tests than in a reasonable assurance engagement.

Reasonable assurance engagement

Conclusion usually provided in a positive form of expression and results in providing an opinion on the measurement of the subject matter against previously defined criteria

Requires extensive procedures, including consideration of internal reporting controls and substantive testing much greater than in a limited assurance engagement.

References:

NGER voluntary assurance audit reports | Clean Energy Regulator (cer.gov.au)
Corporate sustainability reporting - European Commission (europa.eu), QANDA_21_1806_EN.pdf (europa.eu),
SEBI | BRSR Core - Framework for assurance and ESG disclosures for value chain

Audit personas

ESG controller

- Reports to the CFOs office
- Responsibilities:
 - Manages the ESG reporting and regulatory compliance
 - Ensures the entity is meeting the region specific ESG reporting regulatory requirements



Auditors

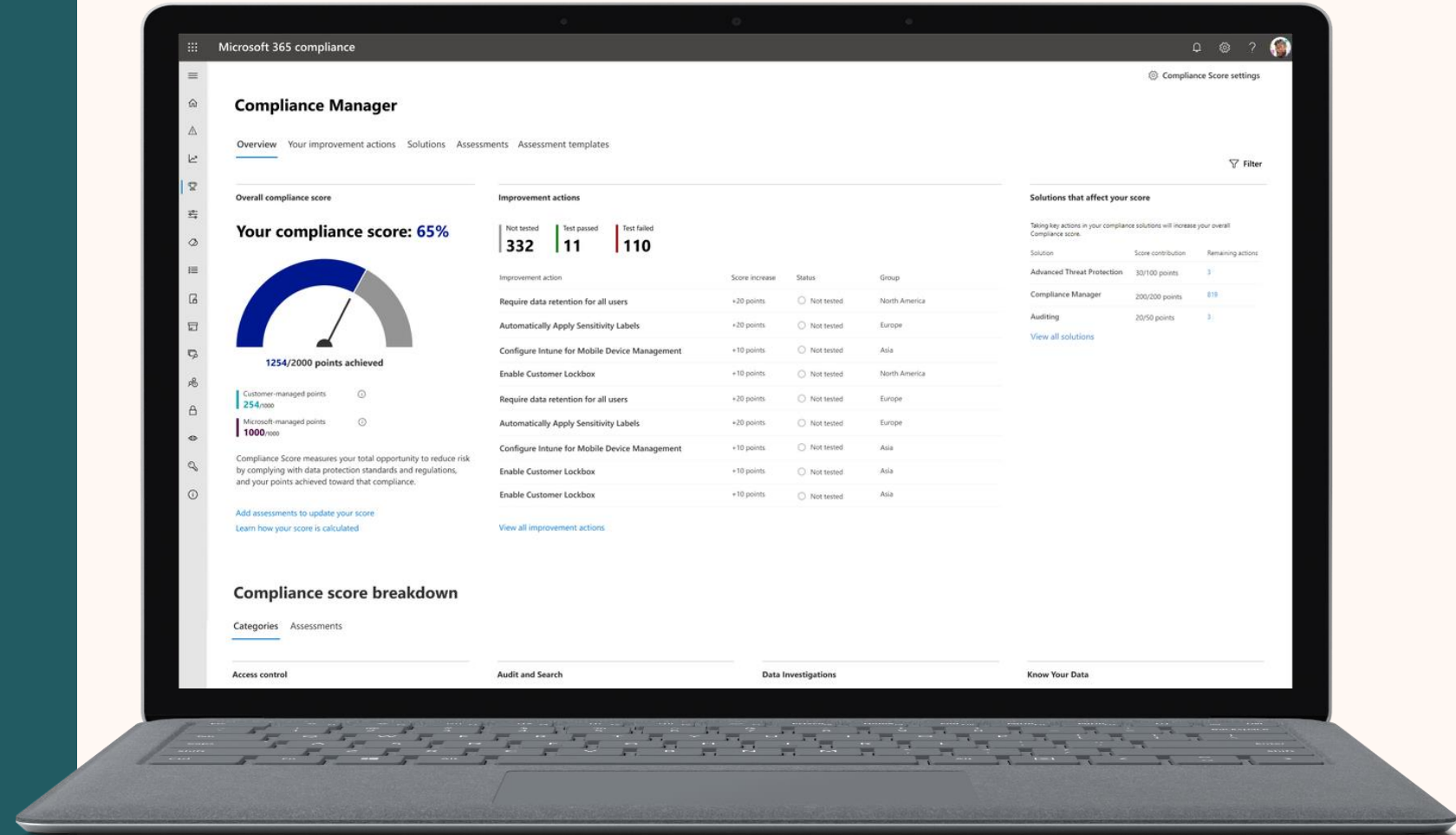
- Provides independent opinion on whether the entity's disclosure data is materially misstated

Compliance Manager

Get Compliant with easy onboarding and step-by-step implementation guidance for 360+ regulations

Stay Compliant with regulatory and product updates, automated testing and notifications

Visible Posture with unified view across Multicloud and SaaS services



Compliance Leaders - Top of Mind



Compliance & security Posture coverage for hybrid cloud coverage , LOB apps and SaaS based services.



Keeping up with new and frequently updated data protection, privacy, sustainability regulations is ongoing struggle.



Point-in-time assessments fail to identify risks between audits, a huge blind spot in a digital world.



Collaboration on risk , IT and compliance management is inefficient and siloed.



Guidance is lacking to help with designing and implementing effective controls.



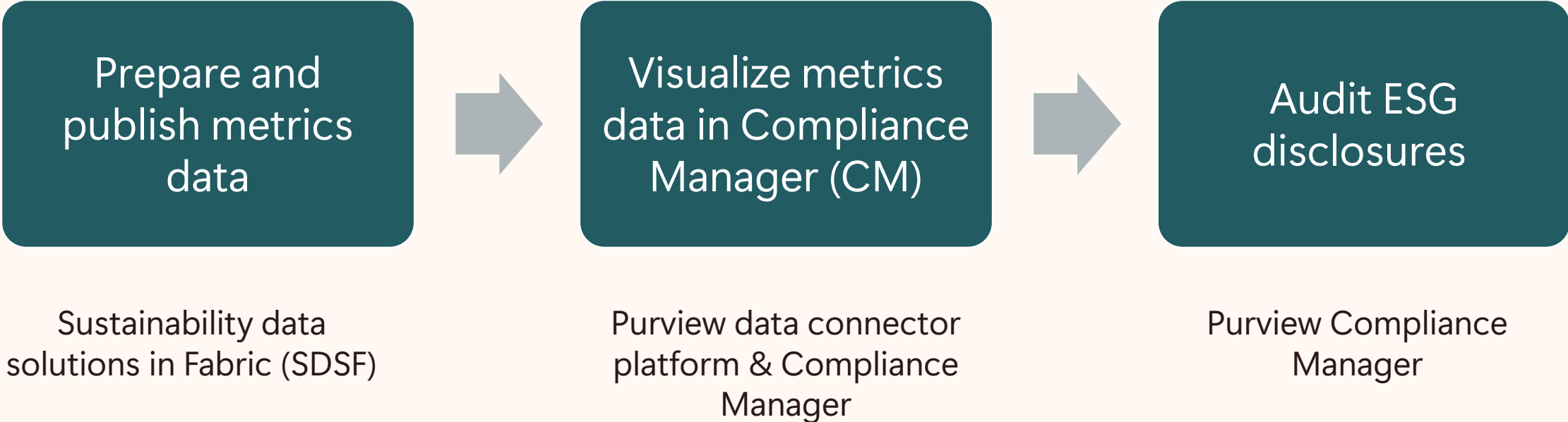
Getting help from external entities is difficult to manage with current setup



Solution workflow



Audit ESG disclosures- solution workflow

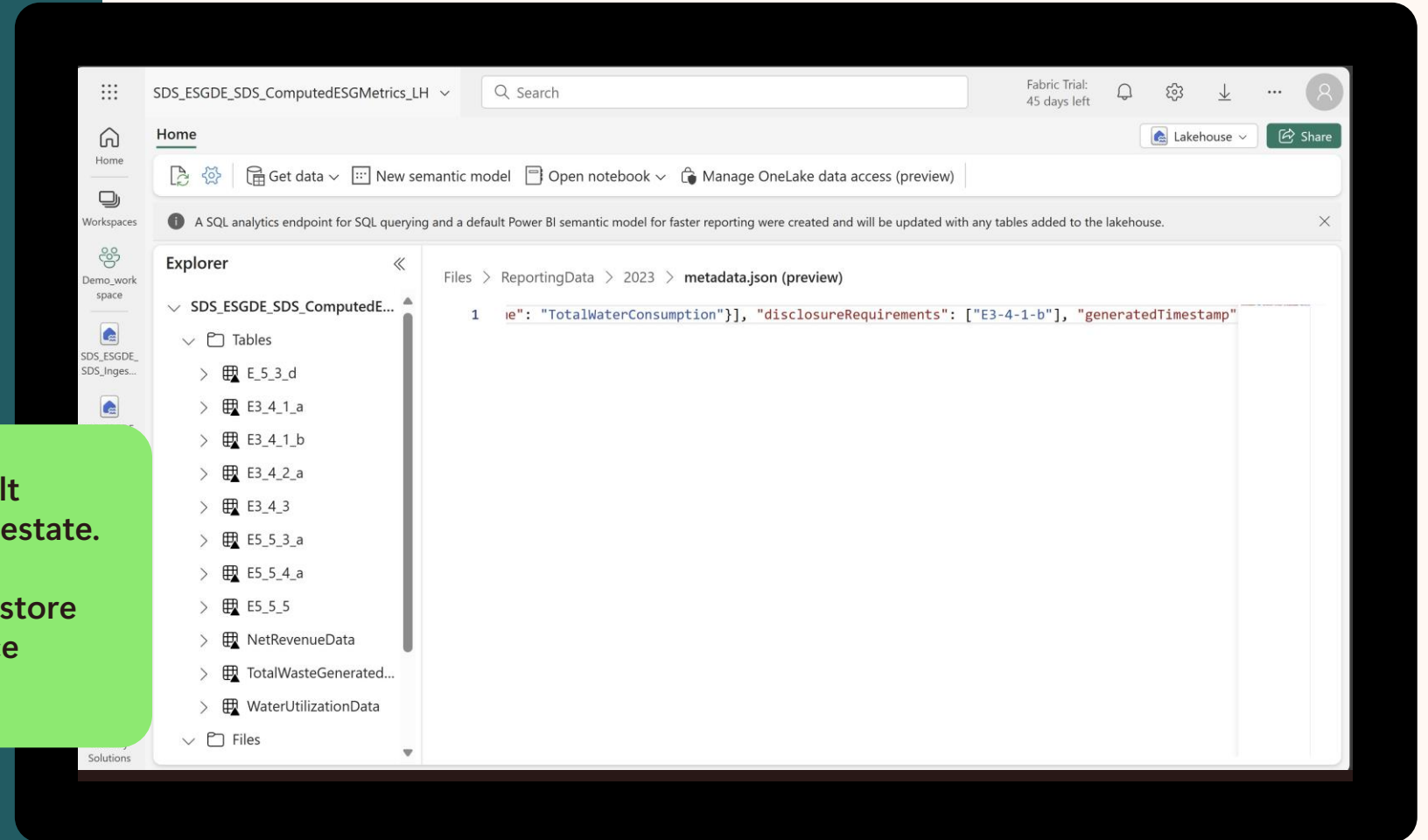


Prepare and publish metrics data

Powered by Sustainability data solutions in Microsoft Fabric (SDSF)

Prepare metrics data using prebuilt notebooks in your SDSF ESG data estate.

Generate metrics publication and store them in lakehouses for Compliance Manager consumption.



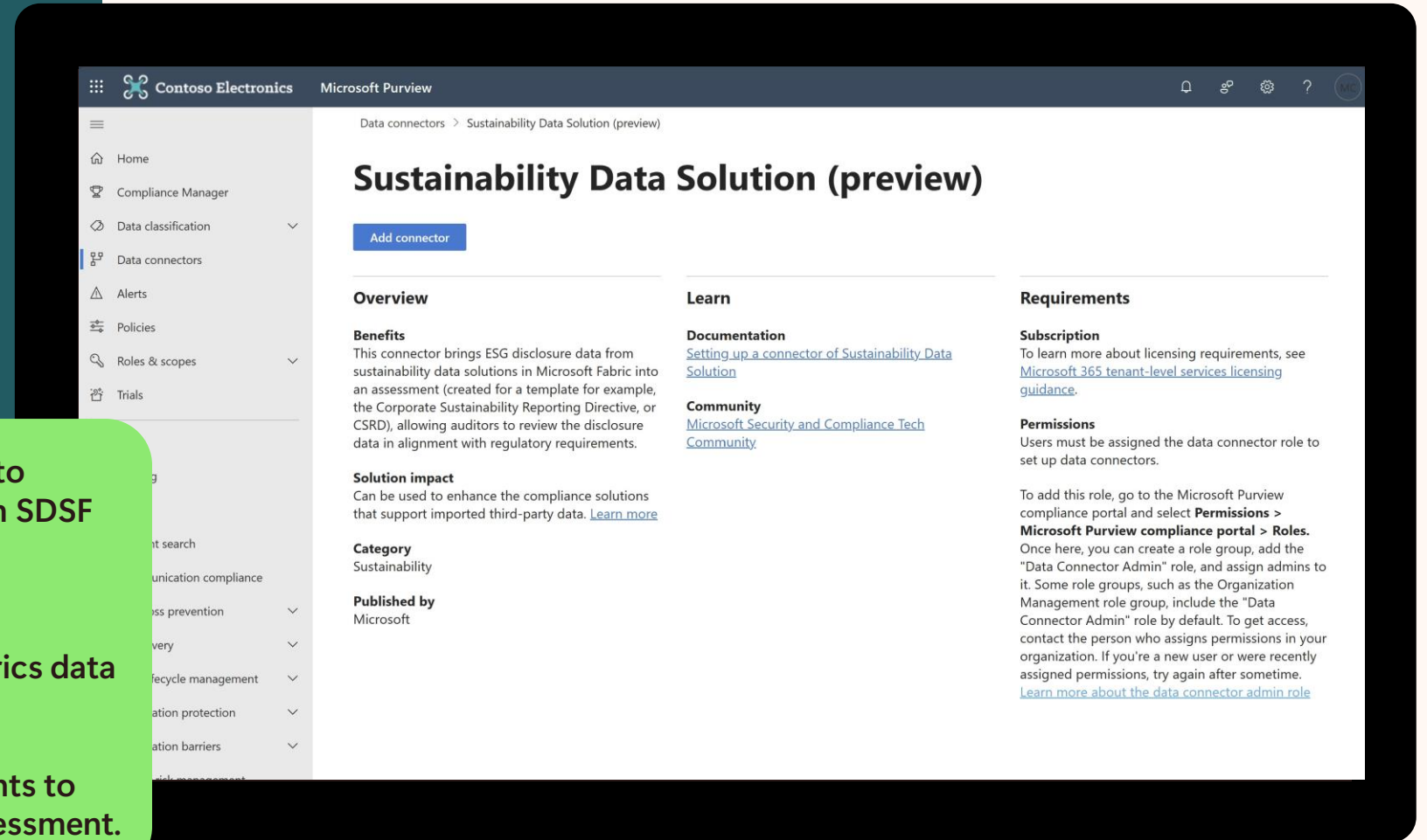
Visualize metrics data

Powered by Sustainability data solution connector in Purview Data connector platform and Compliance Manager

Configure the connector instance to ingest the metrics publication from SDSF data lake to CM.

Link the connector to the CSRD assessment in CM to visualize metrics data against disclosure requirements.

Attach required evidence documents to disclosure requirements in the assessment.



Audit ESG disclosures

Powered by Compliance Manager

Enable auditors to review metrics data and evidence documents against disclosure requirements.

Enable auditors to input their approval status along with their comments.

Microsoft365 app name

Search for users, groups, settings, and actions

Compliance Manager > Assessments > CSRD 2024 > E3-4-3

Disclosure detail: E3-4-3

Owner: Verónica Fuentes | Tester: Verónica Fuentes | Implementation status: Implemented | Test status: Not started

Details | Evidence

About this action

The undertaking shall provide information on its water intensity: total water consumption in m3 per net revenue on own operations

Data

Last updated	Current Reporting year	Organizational unit
10/5/2023 11:59 PM	2023	Contoso APAC

Quantitative data

Reporting Year	Water Consumption Revenue Intensity (m3/\$)
2023	.006549
2022	.013092

Edit Action Details

Implementation | Test and Verification

Test status: In progress

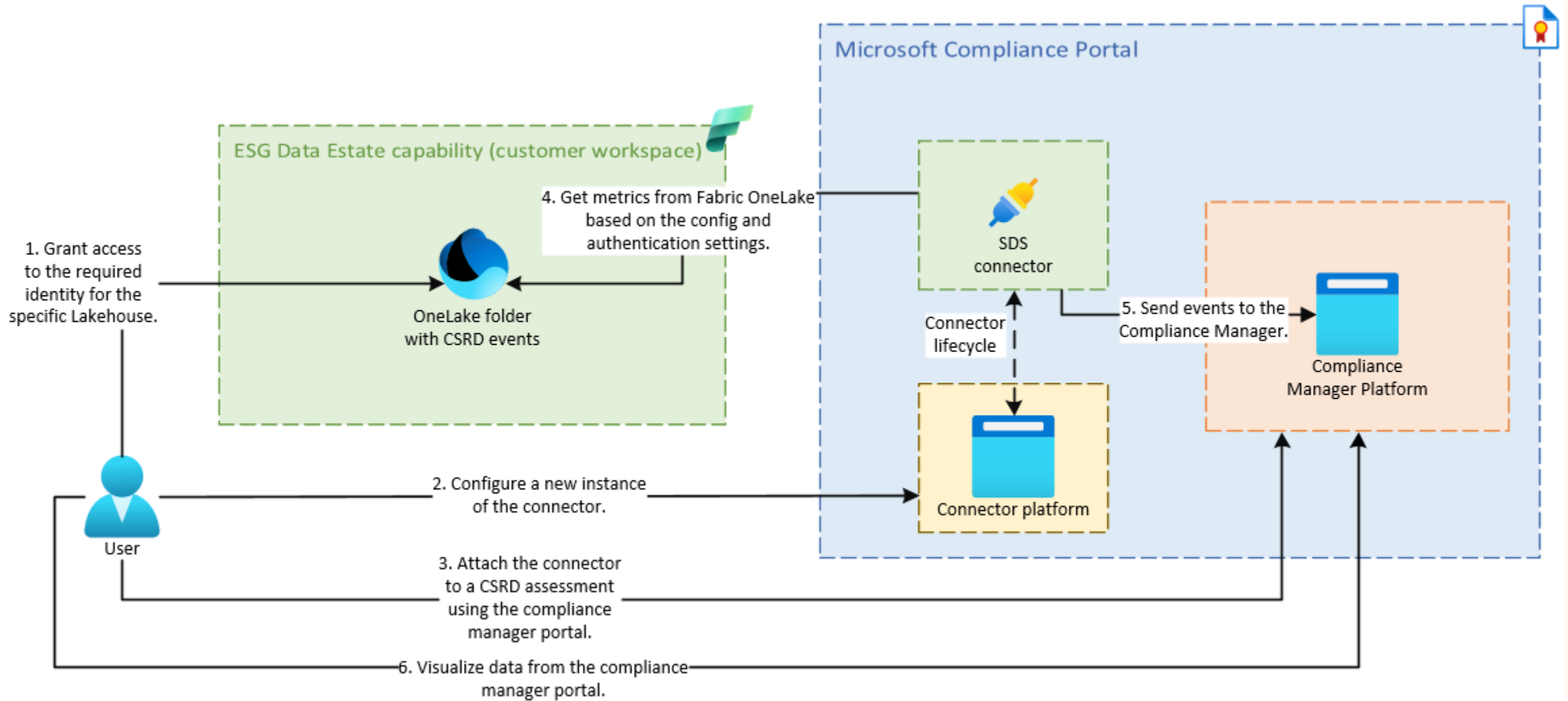
Test date: Wed Feb 07 2024

Enter notes about action testing and verification. Notes are for internal reference only.

Please share details on the data source from which this metric data is being sourced.

Save Cancel

High-level architecture



Demo



Report and disclose progress



In this demo, Ana does the required data and metric preparation along with evidences for auditing of the regulatory report by an external auditor.

Audit of regulatory reports by Purview Compliance Manager (CM) + Sustainability data solutions in Microsoft Fabric (SDSF).

Grant user permission for the external auditor to audit in CM.

Auditor views, and audits the disclosure requirements with the data and evidences in CM.

Auditor, approves or marks feedback for the disclosure requirements in CM.

The screenshot displays the Microsoft Purview Compliance Manager interface. The main content area shows an assessment item titled "E3-4-1-b" with an owner "Adele Vance", an implementation status of "Implemented", and a test status of "Passed". The "Edit Action Details" dialog is open, showing the "Test and Verification" tab. The "Test status" is set to "Passed" and the "Test date" is "Wed Apr 03 2024". A text box contains the note "Looks fine." The interface also shows a sidebar with navigation options like "Home", "Compliance Manager", "Data classification", and "Data connectors".

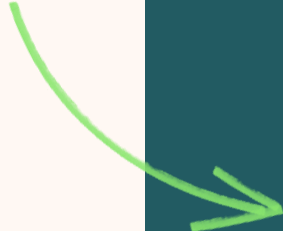
Related sessions

Focus on Sustainability Data Solutions

Session	Title	Abstract	Speakers	Date
SUS04M	Introduction to Sustainability Data Solutions in Fabric (SDSF)	This introductory session will guide you through the foundational features of Sustainability Data Solutions in Fabric (SDSF). We will also uncover deployment best practices to maximize your Environmental, Social, and Governance (ESG) impact and investments.	Ravindran Gangadharan, Sourav Chakraborty	Monday, May 6
SUS04T	Transform your data with the ESG Data Estate	This session will expand on the foundational concepts of Sustainability data solutions in Fabric and explore how to extend the ESG Data Estate capability to meet sustainability reporting and analytical requirements.	Sourav Chakraborty	Tuesday, May 7
SUS04W	SDSF + Azure OpenAI service + Azure AI Studio = An open platform for Copilot	In this session we will show you examples of leveraging an integration between the ESG data in Fabric and Azure AI services to meet sustainability analytic use-cases.	Sourav Chakraborty, Chintan Rajvir	Wednesday, May 8
SUS04R	Integrating Azure AI's Document Intelligence models with Sustainability Data Solutions in Fabric	Learn how to extract and transform unstructured data from sources like images, documents and forms, into structured data stored within delta lakes. We'll guide you through the process of creating an Azure AI instance, integrating with Azure Key Vault, and using SDSF notebooks to convert images or documents into usable data which can be further used for analysis within Fabric.	Abhinav Premsekhar, Deep Baldha	Thursday, May 9



Thank you!



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aka.ms/MCfSTSFeedback

→ **Audit compliance for sustainability regulations**
[Prepare data for CSRD disclosures - Microsoft Cloud for Sustainability | Microsoft Learn](#)

[Visualize CSRD disclosure metrics data - Microsoft Cloud for Sustainability | Microsoft Learn](#)

[Audit CSRD disclosure metrics data - Microsoft Cloud for Sustainability | Microsoft Learn](#)

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aka.ms/MCfSCommunity

→ **Learning Resources**
aka.ms/CloudforSustainabilityLearnCollection



Q&A

Please type your questions **in the chat** and we will answer them during the Q&A session.

